SASKATCHEWAN MILK CONTROL BOARD
QUOTA POLICY
2002-2003 DAIRY YEAR

Definitions

For the purpose of the policies outlined in this document, the following definitions apply:

a) 'Board' is the Saskatchewan Milk Control Board

b) 'catastrophe' includes severe illness or death of the registered quota holder, destruction of the production facilities, severe infection of the producing herd by an uncontrollable disease or by a disease which results in a requirement from health authorities that the herd be slaughtered, or any hardship suffered by a quota holder that the Board considers to be similar in nature to the ones listed above

c) 'direct transfer' means the transfer of quota directly between two producers; it excludes transfers through the Quota Exchange. In all cases, direct transfers require Board approval

d) 'immediate family' means a grandfather, grandmother, father, mother, husband, wife, son, daughter, brother, sister, grandson, granddaughter, son-in-law or daughter-in-law

e) 'market share quota' means a quota fixed and allotted by the Board, and expressed in kilograms of butterfat to represent a producer's share of the market in a quota period

f) 'ongoing operation' means a continuously operating dairy farm business, including all lands and buildings and milking cows used in the operation of the business

g) 'producer' means:
   (i) an individual who: or
   (ii) a partnership or association, whose members or shareholders are personally engaged in the day to day operation and management of a production unit that;
   maintains cattle for the purpose of producing qualifying milk and has obtained any approvals and licenses that may be required pursuant to the regulations made pursuant to ***The Animal Products Act and The Public Health Act.***

Registration

All producers must register with the Board, including producers who produce only Contract Export Milk (CEM). Only one registration number shall be allotted to each production unit even if there are multiple owners.

Butterfat Quota

The Board maintains a single milk pool and quota system. Each producer is allocated the number of kilograms of butterfat that can be delivered each year.

Producers are encouraged to deliver 100 percent of the quota allocated during each dairy year. A minimum maintenance requirement of 90 percent is set to ensure sufficient butterfat is produced to meet the province's fluid and industrial quota requirements. When a producer's deliveries fall below 90 percent of the total yearly allotment, quota for the following year is adjusted to 111.1 percent of the deliveries, unless the dairy enterprise encountered a catastrophe or the reduced shipments are considered to be 'beyond normal management'.

A producer subject to a reduction of Total Production Quota resulting from applications of the annual maintenance clause will be permitted to sell the amount by which the quota is being reduced on the September Unused Quota Exchange with an October 1st transfer date. September is the producer's only opportunity to sell this quota.

The Board encourages producers who expect their deliveries to be less than 90 percent of their total yearly production quota to utilize Saskatchewan's swapping policy or transfer quota to another producer through the quota transfer policy.

Quota Transfer Procedure

In Saskatchewan, 20 percent of all sales of quota must be made through the Quota Exchange managed by the Milk Control Board, **except for**:

- transfers of quota within the immediate family;
- transfers of quota which are part of the sale of an 'on-going' operation; or
- where the entire quota is transferred to a single purchaser.

Direct transfers are subject to the following conditions:

- A producer who sells part of his/her quota to another person must sell 20 percent of that quota on the Quota Exchange. For example, a producer who transfers 100 kilograms of quota must offer 20 kilograms of that quota on the Quota Exchange. The 20 percent applies independently to used and unused quota.

- If a producer wishes to sell the remaining 80 percent on his/her own, he/she must provide transfer forms, signed by both buyer and seller, to the Milk Control Board for the transfer of 80 percent before the Board will offer the remaining 20 percent on the Exchange.

- The 20 percent portion of the transfer must be offered on the Quota Exchange. Producers must submit a bid form on the Quota Exchange by midnight of the 6th of the month and

specify the minimum acceptable price for quota offered on the Quota Exchange.

- If the 20 percent remaining quota does not sell in the first month, the seller will offer the quota for sale in the following month on the Exchange. If the quota does not sell in the second month, the quota will be priced at 90 percent of the previous month's clearing price and placed on the Exchange for the third month. This procedure is necessary to ensure producers will receive the clearing price of the Exchange and will not lose quota (i.e. due to non-production for three months).

Operational Guidelines

There are two separate monthly Quota Exchanges in operation:

1. **The Exchange for unused butterfat quota**
   Purchasers of all unused butterfat quota will receive the purchased quota for the dairy year in which the purchase occurred.

2. **The Exchange for used butterfat quota**
   Purchasers of used butterfat quota will receive the purchased quota at the beginning of the next dairy year.

The following general rules apply to the operation of the two Exchanges.

1. All offers to sell and bids to purchase must be made by sending a completed Quota Exchange Application Form to the Board office.

2. Quota must be sold, or bid for, in terms of dollars and cents per kilogram of butterfat quota.

3. All offers to sell and bids to purchase quota through the Exchange must be received at the Board office by midnight of the 6th of each calendar month to become effective on the first day of the following month. The Board strongly recommends that offers and bids be placed on the Exchange well in advance of this deadline date to ensure adequate time for corrections if necessary. Any bid or offer received on or after the 7th of the month will be entered on the next month's Exchange, unless the Board is advised otherwise in writing.

4. A producer who wishes to cancel or change an offer or bid may do so by advising the Board office of the changes by sending a letter that must be received at the Board office prior to the 7th day of the same month.

5. There is a service charge of $20 for listing an offer to sell, or bid to purchase quota. There will be an additional charge of $20 for changing or cancelling a bid or offer on the same Exchange.

6. Producers who listed offers to sell or bids to purchase quota on the Exchange will be advised by letter of whether or not their offer or bid was successful. Only after written notice is received, should the settlement for quota be completed.

7. A producer cannot offer to sell and bid to purchase the same type of quota on the same Exchange in the same month.

8. A producer may bid to purchase varying amounts of quota at varying prices on the Exchange. However, all successful bids must be honoured.

9. Producers who sell quota on the Quota Exchange can expect payment from the Board during the month following the Exchange.

10. A producer purchasing quota on the Quota Exchange must make payment to the Board on or before the last business day of the month in which the Quota Exchange is held.

11. The minimum amount, which can be purchased, sold or transferred, is 100 kilograms of butterfat quota.

12. The Board may cancel a butterfat quota if a producer fails to make deliveries for thre consecutive months.

13. All producers will be advised of the results of each Quota Exchange.

Determining the Market Clearing Price (M.C.P.)

The Board sets the clearing price after the Exchange closes. The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

To determine the clearing price of Total Production Quota, the bids to buy may be adjusted to 5 percent of annual production quota issued. This is necessary to avoid price distortion from excessively large bids.

Allocation

Butterfat quota will be allocated to each successful bidder when the quota available on the Exchange is sufficient to meet the requests. If there is not sufficient quota to meet the amount requested, producers will receive an equal share of available quota. Allocations will not exceed a producer's bid (minimum 100 kilograms butterfat quota.)

Notification

The Quota Exchange clearing price will be established on the first regular business day following the 14th day of each month.

The Board will send letters to all participants after the Exchange closes to notify them of the status of their bid or offer. Phone calls requesting results should be delayed a few days after the Exchange closes so more complete information can be provided.

Payment

Successful purchasers must pay the Board by cheque or money order by the date specified in the notification letter from the Board. Failure to make payment will result in loss of the quota, which was bid on, as well as Exchange privileges for twelve months.

Successful sellers will receive payment from the Board approximately one month following the date of the Quota Exchange.

Producers leaving the Industry

A producer who ceases to supply milk to the Board will have an opportunity to offer the quota, used and unused, on the next three Exchanges held after production ceases.

A producer who is discontinuing production cannot sell the total quota until the Board has determined the final amounts of used and unused quota. However, a portion of the quota may be sold in advance of the final shipment. The maximum amount of used quota that can be sold is the amount that is indicated on the most recent production statement; producers must retain sufficient unused quota to cover all of their remaining butterfat shipments.

When a producer ceases production, any milk shipped or recorded after the last day of the month will automatically be transferred to the purchaser.

Personal Property Registry Searches

All quota sales, dairy operation name changes and requests for approval to grant security interest in quota, require that the Board obtain written searches through the Personal Property Registry to ensure that the quota is free and clear of all encumbrances.

The Board will be assessing the producer a fee for this service equivalent to the amount charged to the Board by the Registry. Producers will be invoiced on a monthly basis.

Producers wishing to re-enter the Industry once they have ceased shipping milk

If a producer has stopped shipping and has not sold the quota within the three month time period allowed, the producer is permitted to re-enter within 100 days of the last shipment and ship milk for at least 60 days at a level consistent with the daily average production quota held for that year.

Quota as Security

On March 4, 1994, the Milk Control Board regulations were amended allowing quota to be used as security for loans. In order to prevent quota from being exchanged or transferred with security interests still in existence, the Board, when receiving a request to sell or transfer quota will undertake the following procedures.

1. Check to determine whether there has been a Letter of Understanding filed with the Board. If there is, the Board will request the producer to obtain a consent to the transfer or sale from the lender involved.

2. The Board will check to determine if the producer has applied for approval to grant security interest in quota. If the Board has approved such a request, the staff should ensure that the producers have a signed consent by each secured party referred to on the Joint Application forms.

3. If the consents are not provided, the Board will not allow the quota to be transferred.

4. The Board will obtain a search from the Personal Property Registry.

5. When a written search is received, the Board will note situations where the producer has given a general security agreement or security on butterfat quota. If either are found, the producer will be notified that his or her quota will not sell until written consent is obtained from those persons holding the security on the secured party.

6. If there are Writs of Execution registered against the producer, the producer must be notified that these must either be removed, or he/she must obtain written consent from the Execution creditor.

7. **Only when all written consents have been obtained, will the quota be placed on the Quota Exchange or transferred**. If there is one consent missing, the Board will not place the quota on the Quota Exchange or transfer it. As you can see from the above procedure, it is up to the producer to obtain all consents or releases or waivers from the secured parties or the Writ holders. When a producer is planning to transfer his or her quota or plans to sell that quota, he or she should take steps to obtain these consents. **Failure to do so will cause a suspension in the sale or transfer of quota until consents are obtained.**

Western Milk Pool Quota Movement

***Please note that there is currently a moratorium on interprovincial quota movement until such time as all Western Milk Pool provinces establish a common position on this issue.**

The Western Milk Pool Agreement allows for interprovincial whole farm transfers under the following conditions.

1. Producers who plan on relocating from a province and intend to produce milk in another province must make application to the control agency they are currently licensed with.

2. To qualify for relocation, a licensed production unit must have shipped milk for **two consecutive years (24 months) prior to the transfer.**

3. On a quarterly basis, applications received from producers will be reviewed and approval will be granted up to the maximum one percent cap on a net basis.

4. If a transfer occurs, the province receiving the quota will enter into a contract with the producer to ensure that the quota is non-transferable and non-saleable for a period of five years. For purposes of administration, the interprovincial portion is deemed to be transferred first.

5. Quota that transfers to another province and the producer wishes to sell or otherwise transfer any portion of the allotted quota before five years, that portion relocated from another province will be returned to the province from where it came (province of origin) for sale on behalf of that producer. Family transfers are exempt.

6. Quota that is allowed to be relocated from one province to another must remain in the same ownership as before the move.

7. Net quota transfers from a province must be reported to the Canadian Dairy Commission and new provincial production base percentages established for the month that the quota transfers, based on the number of days in the dairy year.

8. One month notice before the date of transfer must be given to the province of origin to enable verification that quota is transferable and notification can be provided to the other province.

9. Quota that transfers to another province is expressed in kilograms of butterfat annually. Quota will be transferred on the basis of actual number of days expired in the year and will be required to settle up for any over quota production in the province of origin, under production remains in the province of origin. Quota will be converted to the terms of quota in the receiving province to permit the same amount of production expressed in butterfat

terms. All quota will move at the WMP Class 1: Industrial ratio existing at the time of the transfer.

10. If there is insufficient demand from whole herd movement to fill the limit in any given period, a method of selling quota between the provinces may be developed. Such procedure should not require any additional administrative structures, i.e. a Quota Exchange may be used in B.C. and an auction may be used in Saskatchewan.

11. Policies and procedures be established to accommodate interprovincial Quota Exchange within the WMP. with a target date of 24 months from the date of adoption of the interprovincial whole farm transfer policy.

12. All transfers become effective the first of a month.

13. Application is to be made to the Milk Control Board at least one month before the anticipated date of transfer.

14. Producers coming to Saskatchewan will receive an allotment of quota in direct proportion to the Saskatchewan monthly average (WMP Class 1:Industrial ratio) quota allotment, determined in a manner that will allow the same amount of production as was transferred from the previous province.

15. Any unique circumstances will be dealt with on an individual basis by the Board.

16. The quantity of Total Production Quota sought to be relocated by a producer must not exceed the Total Production Quota allotted two years prior to the request.

17. None of the above precludes a provincial agency from placing further restrictions on quota transfers.

As in any quota transfer, if there are Writs of Execution registered against the producer, the producer must have them removed, or must obtain a consent from the creditor prior to applying for the whole farm transfer.

Quota Swapping

The quota swapping policy allows milk producers to swap or exchange equal quantities of quota between two licensed producers as a management tool. The policy allows producers the opportunity to swap used butterfat quota for unused butterfat quota without offering a portion through the Quota Exchange. The Board believes producers are the best judges of determining how and when quota should be swapped during each dairy year. Application forms for quota swapping must be submitted to the Board office by midnight of the 25th of each month to be

effective by the 1st of the following month. The Board does not accommodate swapping during the months of July and August.

Saskatchewan - Contracted Milk Exports

Processors/exporters who wish to purchase milk for export markets would offer contracts directly to individual producers willing to supply milk for that purpose. The terms and conditions of the contracts for milk for export would be negotiated between participating processors/exporters and individual producers. The prices, quantities and supply arrangements for export milk will be based solely on the contracts negotiated between the parties. The export contracts will be completely separate and distinct from the domestic system.

The role of the Saskatchewan Milk Control Board (MCB), a body corporate established by *The Milk Control Act, 1992*, whose Board is appointed by Lieutenant Governor in Council, will be limited to those activities necessary to maintain the integrity of the domestic milk supply system.

Milk produced in Saskatchewan for the production of dairy products to be sold in the Canadian domestic market will continue to be subject to the Canadian milk supply management system.

Operational Details - Contracting Mechanism

On request, the MCB will provide a list of producers in Saskatchewan to processors/exporters. Processors/exporters will develop and present export contract offers directly to these producers by whatever means they consider appropriate for each particular export contract.

Individual producers may choose to participate in export contracts offered by processors/exporters. Producers will not be required to hold domestic quota to participate in export contracts.

Producers and processors/exporters have mutually agreed that export contract offers will be presented to all producers indicating an interest in providing milk for export. Producers and processors/exporters mutually agree that contracted export milk is to be pre-committed and will take precedence over domestic deliveries.

All costs associated with an export contract will be borne by the contracting parties. Settlement of contract disputes will be the responsibility of the parties to the contract.

Quality Standards

All milk under an export contract must comply with the same production and processing quality standards and requirements as those that apply to domestic milk under regulations pursuant to *The Animal Products Act* and *The Public Health Act, 1994* of Saskatchewan.

Milk Delivery and Payment Arrangements

Milk delivery from the producer to the processing facility is arranged by the existing processor in Saskatchewan at rates determined by the processor. Export and domestic milk will continue to be co-mingled in the delivery system and will be subject to the same transportation policies and charges. Export milk will be "first out of the tank" in that CEM commitments will be met first, with remaining milk delivery allocated to the domestic market.

Processors/exporters will make payment for milk delivered under an export contract directly to individual producers and will keep records and make payments for export milk separate from any payments for domestic milk.

Required Actions by the MCB

The MCB, with approval by Lieutenant Governor-in-Council, amended *The Milk Control Regulations* to remove the involvement by the MCB in pricing, purchasing and determining volumes of export milk.

SAMPLE STATEMENT

Producer No. X-XXX (1) CDC No. OOOOO (2) Month Ending: August 31, 2002 (6)
Agrifoods No. AAAAA (3) District No. YY (4)

COMPONENTS DAIRY INC (5)
PROTEIN ROAD
BUTTERFAT, SK.
S3O 6L5

Total prod. Quota : 15,137 Kg of BF (7)
CEM Contract: 0 Kg milk/Day (8)
Class 1 Utilization: 49.6363% (9)
Milk Component Test

BF (10)	Protein (11)	OS (12)
3.286%	3.511%	5.378%

YTD MCB 4M Holdings $_____ (12A)

Production Information

Day	Kgs (13)	Day	Kgs (13)
1		16	1,805
2	1,850	17	
3		18	1,839
4	1,872	19	
5		20	1,870
6	1,816	21	
7		22	1,850
8	1,924	23	
9		24	1,864
10	1,895	25	
11		26	1,867
12	1,844	27	
13		28	1,862
14	1,822	29	
15		30	1,884
		31	
	Total		27,864 (13)

	Month	YTD
Total Kgs Milk	27,864	27,864 (14)
CEM Kgs Milk	0	0 (15)
Class 1 Kgs Milk	13,831	13,831 (16)
Class 2- 5 Kgs Milk	14,033	14,033 (17)
4M Kgs	0	0 (18)
Total Component Shipped (excl CEM)		
Butterfat (kg)	915.61	915.61 (19)
Protein (kg)	978.31	978.31 (20)
O.S. (kg)	1498.53	1498.52 (21)
Quota Use for Aug (Kg of BF)		YTD
Allocation: 9%	1362.33	1362.33 (22)
Used :	915.61	915.61 (23)
Under/over:	446.72	446.72 (24)
Monthly average remaining		1,292.85 (25)

Payment Information

Incomes:			Current		YTD
CEM kgs	(26) 0				
Class 1 : Kgs	(27) 13,831 @	50.10 (28)	6,929.33	(29)	6,929.33
Class 1 Butterfat (Kgs)	(30) 454.49 @	5.3000 (31)	2,408.80	(32)	2,408.80
Class 2-5 (kg)	(33) 14,033				
BF	(34) 461.12 @	6.0591 (35)	2,793.97	(36)	2,793.97
Protein	(37) 492.70 @	7.0247 (38)	3,461.07	(39)	3,461.07
Other Solids	(40) 754.69 @	1.0108 (41)	762.84	(42)	762.84
4M (Kg) (43)	0				
4 M BF	(44) .00 @	.65 (45)	.00	(46)	.00
4 M Protein	(47) .00 @	.65 (48)	.00	(49)	.00
4 M O.S.	(50) .00 @	.65 (51)	.00	(52)	.00
YTD Change of 4M adj.			.00	(53)	.00
Gross Revenue			$ 16,356.01		$16,356.01 (54)

Deductions:				
MCB Assessment	27,864 kgs @ $ .17/100 kg (55)	47.37	(56)	47.37
DFC Skim Off Levy	27,864 kgs @ $ .10/100 kg (55)	27.86	(56)	27.86
Dairy Farmers of Sk	915.61 kgs @ $ .2622/kg bf (55A)	240.07	(56)	240.07
CRVMP Association	27,864 kgs @ $ .20/100 kg (55)	55.73	(56)	55.73
Quality Penalty		589.88		589.88 (57)
DFSK GST to Agrifoods (Reg. No. R101246957)		16.80		16.80 (58)
Haul. @ $3.0740/100 Kg		856.53		856.53 (59)
Total YTD 'Floating' Deductions		856.53		856.53 (59A)

Assignments: (60)
1)
2)
3)
4)

Total Deductions	1,834.24	1,834.24 (61)
Net Revenue	14,521.77	14,521.77 (62)
Advance Paid	4,789.97	4,789.97 (63)
Net Pay	$ 9,731.80 (64)	

Estimated Next Month Advance $ 7,260.00 (65)
Note: Items Marked "*" are GST taxable

Saskatchewan Milk Statement Explanation

(The numbers on this page correspond to those in brackets on the sample statement)

1. Producer number issued by the Saskatchewan Milk Control Board.
2. Producer registration number with the Canadian Dairy Commission (CDC).
3. The Agrifoods number identifies the individual and business in the Agrifoods Accounting system.
4. This number refers to the geographic district in which the farm is located for purposes of meetings and delegate elections.
5. Registered producer name and address.
6. This date refers to the calendar month in which shipments were made.
7. The annual Total Production Quota held by the farm in kilograms of butterfat.
8. Amount of Contract Export Milk (CEM) in kilograms of milk per day.
9. Class 1 utilization: this is the % of your class 1-5 within quota kgs milk that is paid for at class I price
10. Your weighted average percent butterfat test for all milk shipped in the month.
11. Your weighted average percent protein test for all milk shipped in the month.
12. Your weighted average percent other solids test for all milk shipped in the month.

12A. Total dollars of 4M (over quota) milk held by the Milk Control Board.

Production Information

13. Indicates the kilograms of milk for each pickup and the total for the month.
14. Total amount of milk shipped for the month and accumulated dairy year to date (YTD) in kilograms .
15. Total amount of CEM milk shipped for the month and accumulated dairy YTD in kilograms.
16. Total amount of Class 1 milk shipped for the month and accumulated dairy YTD in kilograms. This is the total kilograms of milk shipped less CEM less 4M X Class I utilization. (13 – 15 – 18) x 9
17. Total amount of Industrial milk (class 2 - 5) shipped for the month and dairy YTD in kilograms. (13 – 15 – 16 – 18)
18. The kilograms of milk exceeding the TPQ allocation (22 / 10) for the month less any CEM milk. The 4M (over quota)milk is paid for at world prices established by the Canadian Dairy Commission (CDC) for 4M butterfat, protein and other solids.
19. Total kilograms of butterfat shipped for the month and dairy YTD. Calculate as follows: (Total Kilograms of Milk Shipped for the month [13]) less (CEM kgs for the month [15]) X (the weighted average butterfat test [10]) divided by 100.
20. Total kilograms of protein shipped for the month and dairy YTD. Calculate as follows: (Total Kilograms of Milk Shipped for the month [13]) less (CEM kgs [15]) X the weighted average protein test [11]) divided by 100.
21. Total kilograms of other solids shipped for the month and the dairy YTD. Calculate as follows: (Total Kilograms of Milk Shipped for the month [13]) less (CEM kgs [15]) X the weighted average other solids test [12]) divided by 100.
22. Monthly and dairy YTD allocation of the Total Production Quota (TPQ) in kilograms of butterfat. Calculate as follows: Multiply the TPQ [7] by the percent allocation for the month (Aug – Nov = 9% of TPQ, Dec – July = 8% of TPQ). Note: for operations milking for part of the year, this is calculated using allowable TPQ and remaining allocations.
23. The kilograms of butterfat shipped for the month and dairy YTD. This number is the same as [19] above.
24. Accumulated butterfat quota Over/under for the month and dairy YTD (expressed in kilograms of butterfat). This can be a positive or negative figure, depending whether the producer is over or under shipping. (Note: There is no carryover of credits from one dairy year to the next).
25. Monthly Average Remaining is a guideline for future milk production. It uses the annual TPQ less the production to date and divides that figure by the remaining months in the dairy year for the average monthly remaining kilograms of butterfat that can be produced to achieve 100 % of TPQ. ((7) - (19) divided by number of months remaining in the dairy year)

Payment Information

26. The kilograms of CEM milk shipped (if signed up for a contract).
27. The kilograms of Class 1 milk shipped. Calculated as the producer's share of all Class 1 sales in the Western Milk Pool as indicated in (16).
28. The price for Class 1 Skim milk (protein and other solids in Class 1).
29. The current month and dairy YTD revenue earned for Class 1 skim milk.
30. Kilograms of butterfat shipped as Class 1 for the month (Kilograms of Class 1 milk shipped [27]) X (% butterfat test [10]) divided by 100.
31. The price per kilogram of Class 1 Butterfat. Value is determined by the Canadian Dairy Commission.
32. The current month and dairy YTD revenue earned for Class 1 kilograms of butterfat.
33. The kilograms of Industrial milk (class 2- 5) shipped for the month. Calculated as follows: (Total Kilograms Shipped [13]) less (CEM kgs [15] less (Kilograms of Class 1 Milk [17]) less (4M kgs (18).
34. Kilograms of butterfat shipped as Class 2-5 milk for the month (Kilograms of Class 2-5 milk shipped [33]) X (% butterfat test [10]) divided by 100.
35. The price per kilogram of butterfat in Industrial milk. Value is determined by the Canadian Dairy Commission.
36. The current month and YTD revenue earned for kilograms of butterfat from Industrial Milk.
37. Kilograms of Protein shipped as Class 2-5 milk for the month (Kilograms of Class 2-5 milk shipped [33]) X (% protein test [11]) divided by 100.
38. The price per kilogram of protein in Industrial milk.
39. The current month and YTD revenue earned for kilograms of protein from Industrial milk.
40. Kilograms of Other Solids shipped as Class 2-5 milk for the month (Kilograms of Class 2-5 milk shipped [33]) X (% Other solids test [12]) divided by 100.
41. The price per kilogram of Other Solids in Industrial milk.
42. The current month and YTD revenue earned for kilograms of Other Solids from Industrial Milk.

43. The kilograms of milk exceeding the TPQ allocation (22 / 10) for the month less any CEM milk. The 4M (over quota)milk is paid for at world prices established by the Canadian Dairy Commission (CDC) for 4M butterfat, protein and other solids.
44. Kilograms of butterfat shipped as 4M milk. Calculated as follows: (kilograms of 4 M milk [43]) X (% butterfat test [10]) divided by 100.
45. The price per kilogram of butterfat in 4 M milk. The CDC establishes this price.
46. The current month and YTD revenue earned for kilograms of butterfat from 4 M milk.
47. Kilograms of protein shipped as 4 M milk. Calculated as follows: (kilograms of 4 M milk [43]) X (% protein test [11]) divided by 100.
48. The price per kilogram of protein in 4 M milk. The CDC establishes this price.
49. The current month and YTD revenue earned for kilograms of protein from 4 M milk.
50. Kilograms of Other Solids shipped as 4 M milk. Calculated as follows: (kilograms of 4 M milk [43]) X (% other solids test [12]) divided by 100.
51. The price per kilogram of Other Solids in 4 M milk. The CDC establishes this price.
52. The current month and YTD revenue earned for kilograms of Other Solids from 4M milk.
53. The current month and YTD 4M adjustment made due to increases or decreases in TPQ, as well as decreases in monthly shipments .
54. The current month and YTD totals for all of the income items above.

Deductions

55. Monthly deductions and assessments of a mandatory or voluntary nature. The assessment level is pre-set by each association or organization. (Total Kilograms of milk shipped in the month [14]) less CEM [15] where applicable X (the assessment level) divided by 100. Haulage and Quality penalties include the CEM [15] kgs.
56. The current month and YTD totals for each deduction.
57. A deduction for Government Quality Penalty. The penalty level is a specified percentage level X the production for the month (when the infraction occurred) X the current months average blend price for the province.
58. GST paid to Agrifoods for deducting Saskatchewan Dairy Foundation dues.
59. Hauling Charges. The cost of hauling your milk to the processing plant and the rate at which it is charged per 100 kgs of milk. The current month charges only.

59A. Haulage charges including yard charges where applicable, both current month and year to date totals.

60. Assignment payments to financial institutions or other transfers as requested by the producer.
61. Total Deductions for the current month and YTD.
62. Net Revenue for the current month and YTD (Gross Revenue [54] less Total Deductions [61])
63. Advance Pay , which is your mid month advance, is received at month end.
64. Net Pay is (Net Revenue [62] less Advance Pay [63]) received on the 15th of the following month.
65. Estimated Next Month Advance: The amount that will be paid as a mid month advance for the next pay period. It is approximately ½ the Net Revenue [62] for the month.

Version Date: August 1, 2002
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